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*Attorney of Record for Reliance Management (Gibraltar) Limited*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Debtor.

Adv. Pro. No. 08-1789 (BRL)

SIPA LIQUIDATION

(Substantively Consolidated)

IRVING H. PICARD, Trustee for the Liquidation  
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

Adv. Pro. No. 10-05311 (BRL)

UBS AG, UBS (LUXEMBOURG) S.A., UBS  
FUND SERVICES (LUXEMBOURG) S.A., UBS  
THIRD PARTY MANAGEMENT COMPANY  
S.A., M&B CAPITAL ADVISERS SOCIEDAD  
DE VALORES, S.A., M&B CAPITAL  
ADVISERS HOLDING, S.A., M&B CAPITAL  
ADVISERS GESTIÓN SGIIC, S.A., JB CAPITAL  
MARKETS SOCIEDAD DE VALORES, S.A.  
(F/K/A M&B CAPITAL MARKETS SOCIEDAD  
DE VALORES, S.A.), FRANCISCO JAVIER  
BOTIN-SANZ de SAUTUOLA O'SHEA,  
GUILLERMO MORENES MARIATEGUI,  
RELIANCE INTERNATIONAL RESEARCH  
LLC, RELIANCE MANAGEMENT  
(GIBRALTAR) LIMITED, LUXEMBOURG  
INVESTMENT FUND AND LUXEMBOURG  
INVESTMENT FUND U.S. EQUITY PLUS, as  
represented by their Liquidators MAITRE ALAIN  
RUKAVINA and PAUL LAPLUME, MAITRE

ALAIN RUKAVINA and PAUL LAPLUME, in  
their capacities as liquidators and representatives of  
LUXEMBOURG INVESTMENT FUND AND  
LUXEMBOURG INVESTMENT FUND U.S.  
EQUITY PLUS, and LANDMARK  
INVESTMENT FUND IRELAND,

Defendants.

**APPLICATION OF KLESTADT & WINTERS, LLP TO WITHDRAW  
AS COUNSEL OF RECORD TO DEFENDANT RELIANCE  
MANAGEMENT (GIBRALTAR) LIMITED PURSUANT  
TO LOCAL BANKRUPTCY RULE 2090-1(e)**

Klestadt & Winters, LLP (“K&W” or “Movant”) hereby applies for entry of an order authorizing it to withdraw as counsel of record to defendant Reliance Management (Gibraltar) Limited (“Reliance Gibraltar”) and in support of the application (the “Application”), respectfully represents as follows:

**BACKGROUND**

1. On or about December 5, 2010, IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC commenced an adversary proceeding against Defender Limited (“Defender”), Reliance Gibraltar, Reliance Management (BVI) Limited (“Reliance BVI”), Tim Brockmann, and certain other parties (“Defender Adversary Proceeding”), by filing a complaint (“Defender Complaint”).

2. On or about December 7, 2010, Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC (“Trustee”) commenced this adversary proceeding against Reliance Gibraltar, Reliance BVI (“Reliance BVI”), and numerous other parties (“LIF Adversary Proceeding”, and together with the Defender Adversary Proceeding, the “Adversary Proceedings”), by filing a complaint (“LIF Complaint”).

3. Defender, Reliance Gibraltar, Reliance BVI and Tim Brockmann subsequently retained counsel to represent them in the Adversary Proceedings.

4. On April 5, 2011, K&W was engaged to replace prior counsel and to represent Defender, Reliance Gibraltar, Reliance BVI and Tim Brockmann (“K&W Clients”) in the Adversary Proceedings Reliance Gibraltar in the Adversary Proceeding.

5. Subsequent to April 5, 2011, K&W learned that Reliance Gibraltar had ceased operations, has no assets and was essentially defunct. However, pursuant to agreement among the parties, and because the parties interests were aligned, it was agreed that K&W would nonetheless represent Reliance Gibraltar and take direction from Defender and Brockman with regard to the Adversary Proceedings.

6. On April 2, 2012, at the K&W Clients’ request, K&W filed a motion for an order withdrawing the reference of the Adversary Proceedings.

7. On April 27, 2012, at the K&W Clients’ request, K&W filed a motion to dismiss the LIF Adversary Proceeding as against Reliance Gibraltar and Reliance BVI, and to dismiss the Defender Adversary proceeding as against Reliance Gibraltar, Reliance BVI and Tim Brockmann, based upon the Bankruptcy Court’s lack of personal jurisdiction (“Jurisdictional Motions”).

8. On December 19, 2012, K&W appeared before the Bankruptcy Court, on behalf of Reliance Gibraltar, Reliance BVI and Tim Brockmann, for a hearing on the Jurisdictional Motions. During the hearing, the Bankruptcy Court instructed the parties to meet and confer regarding the various issues raised in the Jurisdictional Motions in an attempt to resolve as many issues as possible. At that time, the Jurisdictional Motions were adjourned without a hearing date.

9. The Trustee subsequently agreed to dismiss the LIF Adversary Proceeding as against Reliance BVI and to dismiss the Defender adversary proceeding without prejudice as against Reliance Gibraltar and Tim Brockmann.

10. The Jurisdictional Motions remain pending, but are not currently on the Bankruptcy Court's calendar. In addition, Reliance Gibraltar's current deadline to answer, respond to, or move to dismiss the LIF Complaint on grounds other than those addressed in the Jurisdictional Motions is January 16, 2015.

11. On July 25, 2014, at the request of the K&W Clients, Morrison & Foerster LLP was substituted as counsel for Defender and Reliance BVI in the Defender Adversary Proceeding in place of K&W.

12. Shortly thereafter, K&W requested that a retainer deposit be made to K&W on Reliance Gibraltar's behalf if it was anticipated that K&W would remain as counsel to Reliance Gibraltar, or alternatively, that K&W also be replaced as counsel for Reliance Gibraltar in the LIF Adversary Proceeding since the entity was not operating, has no known assets and to K&W's knowledge no longer has an authorized representatives who could provide instruction on behalf of Reliance Gibraltar. At that time, K&W was informed by the K&W Clients that it should take steps necessary to withdraw as counsel on behalf of Reliance Gibraltar.

**BASIS FOR RELIEF REQUESTED**

13. Pursuant to Rule 2090-1(e) of the Local Bankruptcy Rules for the Southern District of New York (the "Local Bankruptcy Rules"), "[a]n attorney who has appeared as attorney of record may withdraw or be replaced only by order of the Court for cause shown."

**RELIEF REQUESTED**

14. As described above, K&W has filed documents with this Court on behalf of Reliance Gibraltar, and is therefore counsel of record for it in the LIF Adversary Proceeding.

15. By this Application, K&W respectfully requests that it be permitted to withdraw as counsel of record to Reliance Gibraltar.

16. Good cause exists for granting the Application. Reliance Gibraltar is essentially defunct and to the best of K&W's knowledge, it has no authorized representative who can wither provide instruction or receive advice from K&W. Together with the K&W Clients' instruction that K&W should seek to withdraw as counsel, the facts make it impossible for K&W to continue to serve as counsel of record.

17. In addition, it is clear that because of Reliance Gibraltar's financial condition, there is no means for K&W to be paid for any legal services that it provides to Reliance Gibraltar in the future.

**NOTICE**

18. Notice of this Application has been provided to (i) Reliance Gibraltar, (ii) the Trustee, and (iii) the Office of the United States Trustee. K&W submits that no other or further notice is required under the circumstances.

WHEREFORE, K&W respectfully requests that the Court enter an order,  
authorizing it to withdraw as attorney of record for Reliance Gibraltar.

Dated: New York, New York  
November 10, 2014

KLESTADT & WINTERS, LLP

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